Major share of the budget allocated to the Department of AYUSH is spent on promotion and propagation of Ayurveda. There has been a substantial increase in the budget allocation to the Department of AYUSH in 2005-06 as compared to 2004-05. With the increased allocation, Department has been able to implement its centrally sponsored schemes and central sector schemes *e.g.* Development of Institutions, Hospitals and Dispensaries, Drug Quality Control, National Institutes, National Medicinal Plants Board, Information, Education and Communication.

New Pharmaceutical Policy

*359. SHRI A. VIJAYARAGHAVAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether process for finalizing New Pharmaceutical Policy is on the anvil;

(b) if so, the details thereof;

(c) whether there is any proposal to change the present methods of fixing prices of drugs;

(d) if so, the details thereof; and

(e) whether there is any proposal to allow the drug companies to fix the prices of drugs other than the National Pharmaceutical Pricing Authority (NPPA)?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (e) The process of formulating a New Pharmaceutical Policy has been set in motion. At present 74 bulk drugs and their formulations are under price control. These are called scheduled drugs and are specified in the First Schedule of the Drugs (Price Control) Order, 1995 (DPCO, 95). Prices of these drugs are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO,95. The formula for calculation of retail price of formulations is given under para 7 of DPCO, 1995.

Prices of non-scheduled bulk drugs and formulations are fixed by the manufacturers themselves keeping in view the various factors like cost

of production, marketing/selling expenses, R&D expenses, trade commission, market competition product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The Government constituted a Committee under the Chairmanship of Joint Secretary (Pharma) to examine the issue of span of price control (including trade margin). Subsequently, a Task Force under the Chairmanship of Dr. Pronab Sen, Principal Advisor, Planning Commission was also constituted to explore options other than price control to make available life saving drugs at reasonable prices.

Based on the recommendations of the Committee under the Chairmanship of Joint Secretary (Pharmaceuticals) and the Task Force under the Chairmanship of Dr. Pronab Sen, Principal Advisor, Planning Commission and feedback from other stakeholders Government have formulated a draft National Pharmaceutical Policy, 2006 (Part A - excluding pricing) which has been circulated to various stakeholders seeking their comments. Based on the comments received the Government is likely to finalize the new Policy shortly including pricing mechanism to be adopted.

Standardization of treatment charges in private hospitals

*360. SHRI S. ANBALAGAN: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government propose to take any initiative to standardize treatment charges and bed charges by private hospitals in the country,

(b) if so, the details of the steps proposed to be taken so as to protect the interests of poor and middle class people in this regard; and

(c) if not, the reasons therefor?

THE MINISTER OF HEALTH AND FAMILY WELFARE (DR. ANBUMANI RAMDOSS): (a) to (c) Health being the State subject, it is for the respective State Governments to standardize and regulate treatment charges and bed charges by private hospitals.